

THIS DOCUMENT SHOULD BE
RETURNED TO:

STATE OF NORTH CAROLINA }
 }
COUNTY OF DURHAM }

MODIFICATION TO DEED OF TRUST AND SECURITY AGREEMENT

THIS MODIFICATION TO DEED OF TRUST AND SECURITY AGREEMENT (this “First Amendment”) made and entered into as of the _____ day of _____, 2011, by and between **EDGEMONT ELMS HOUSING, INC. (f/k/a EDGEMONT ELMS LIMITED PARTNERSHIP)**, a North Carolina nonprofit corporation (hereinafter referred to as “Borrower”) and **CITY OF DURHAM**, a North Carolina municipal corporation (hereinafter referred to as “Lender”);

WITNESSETH THAT:

WHEREAS, Borrower and Lender are parties to that certain Deed of Trust and Security Agreement dated as of July 3, 1989, recorded at Deed Book 1534, Page 31, Durham County, North Carolina Records (the “Deed of Trust”), which Deed of Trust secures a loan (the “Loan”) evidenced by that certain Promissory Note from Borrower to Lender dated July 3, 1989 (the “Note”); and

WHEREAS, the current outstanding balance on the Loan is \$402,359.35 (as of April 5, 2011;

NOW, THEREFORE, for and in consideration of the premises, Ten and No/100 Dollars (\$10.00) cash in hand paid by Borrower to the Lender, and other good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and the Lender, intending to be legally bound, hereby modify and amend the Deed of Trust as follows:

Notwithstanding any language to the contrary, repayment of the Loan is deferred until January 1, 2014. Loan repayments will begin January 1, 2014. The term of the loan shall be ten (10) years beginning January 1, 2014 and the final payment, if not sooner paid, is due January 1, 2024.

2.

Except as amended hereby, the Deed of Trust shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto. Borrower hereby acknowledges that it does not have any claim of offset, defense, or cause of action against Lender which would impair or in anyway reduce or diminish its liability to Lender pursuant to the Note, Deed of Trust, or any of the other loan documents executed in connection therewith and that it does not have any claim or cause of action of any nature, including, without limitation, any claim based upon any act or omission of Lender relating to the Loan or the administration thereof against Lender. This First Amendment shall not constitute a novation of the Note, Deed of Trust or any of the other loan documents executed in connection therewith.

3.

This Second Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

4.

This Second Amendment may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same document.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, Borrower and Lender have caused this Second Amendment to be executed, delivered and sealed the day and year first above written.

BORROWER:

EDGEMONT ELMS HOUSING, INC., a
North Carolina nonprofit corporation

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, _____, a notary public of the
County and State aforesaid, do hereby certify that _____
personally came before me this day and acknowledged that he is _____ of
EDGEMONT ELMS HOUSING, INC., and that he/she as _____ President,
being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand
and notarial stamp or seal, this ____ day of _____, **2011**.

Notary Public
My commission expires: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

LENDER:

CITY OF DURHAM

By: _____

Name:

Title:

STATE OF _____
COUNTY OF _____

I, _____, a notary public of the
County and State aforesaid, do hereby certify that _____
personally came before me this day and acknowledged that he is _____
_____ of **CITY OF DURHAM, a NC municipal corporation**, and that he/she as _____
_____, being authorized to do so, executed the
foregoing on behalf of the corporation. Witness my hand and notarial stamp or seal, this ____
day of _____, **2011**.

Notary Public

My commission expires: _____